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MEMORANDUM FOR: Director, National Foreign Assessment Center

FROM : Director of Central Intelligence

SUBJECT : Poland

1. While there is still a chance, and perhaps a good one, that the Soviets either through the Poles or on their own will take coercive measures to reverse liberalization in Poland and curb the power of the unions, I believe we must begin to give attention to the possibility that the Soviets will not intervene in Poland and that the reform movement there will continue. Although Poland still is not out of the woods with respect to a Soviet intervention, I believe we need to address the implications of Soviet non-intervention in Poland for Poland, Eastern Europe and for the Soviet Union itself. Specifically, we should do some forward thinking on:

- where the Polish developments can go, how far and how fast;
- the implications of no Soviet intervention nor internal Polish repression and of continued liberalization in Poland for the other satellites and the Soviet Union itself;
- how all this is impacted by Soviet economic troubles, their projected development, and the impact on Soviet capability to carry their military burden and support of their satellites, Cuba, Vietnam and Afghanistan to the tune of over \$20 billion a year;
- should the Poles successfully avoid intervention and repression, what might the rest of Eastern Europe and the Soviet Union itself look like three, five, or ten years from now (especially in the context of economic strains noted in the point above).

2. It would be foolhardy at this stage to conclude that the Soviets have decided not to intervene at all and that their efforts to get the Poles to crack down will continue to fail. Nevertheless, one threshold after another in Poland has been crossed and the Soviets have been unable

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to bring themselves to pay the costs of halting Polish liberalization. With each passing day and the further consolidation of the political changes in Poland, the cost of intervention rises even further. It is in this context that I believe some analysis of the alternative to intervention or repression is timely.

William J. Casey